

Mark R. Ruppert P.C. (Wyo. Bar No. 6-3593)  
HOLLAND & HART LLP  
2515 Warren Avenue, Suite 450  
P.O. Box 1347  
Cheyenne, WY 82003-1347  
Telephone: (307) 778-4200  
Facsimile: (307) 778-8175

Jere C. (Trey) Overdyke (Wyo. Bar No. 6-4248)  
HOLLAND & HART LLP  
25 South Willow Street, Suite 200  
P.O. Box 68  
Jackson, WY 83001-0068  
Telephone: (307) 739-9741  
Facsimile: (307) 739-9744

ATTORNEYS FOR DEFENDANT

STATE OF WYOMING ) IN THE DISTRICT COURT  
) ss  
COUNTY OF CAMPBELL ) SIXTH JUDICIAL DISTRICT

KENNETH B. GEER, )  
)  
Plaintiff, )  
)  
) Civil Action No. 32940  
)  
)  
LANCE OIL & GAS COMPANY, INC., a )  
Delaware corporation, )  
)  
)  
Defendant. )

**DEFENDANT LANCE OIL & GAS COMPANY'S ANSWER TO  
PLAINTIFF'S COMPLAINT FOR DAMAGES, DECLARATORY  
JUDGMENT AND INJUNCTIVE RELIEF**

Defendant Lance Oil & Gas Company, Inc. (Lance), by and through its counsel Holland & Hart LLP, answers Plaintiff's Complaint as follows:

**PLAINTIFF**

1. Paragraph 1 constitutes Plaintiff's characterization of the nature of the case to which no response is required. To the extent a response is required, Lance admits that Kenneth B. Geer is the named plaintiff in this action. Lance is without knowledge or information sufficient to form a belief as to the truth of the allegations related to Mr. Geer's residency, and therefore denies the same.
2. The allegations in Paragraph 2 refer to "oil and gas leases" and "related overriding royalty interests (derived or carved out such leases)," which speak for themselves. Lance denies any interpretation contrary to the plain language and meaning of the contents of the "oil and gas leases" and any ownership interests these documents may create. To the extent

Paragraph 2 calls for conclusions of law, no response is required; however, Lance denies the same.

3. The allegations in Paragraph 3 refer to “leases or other instrument creating or reserving his interest,” which speak for themselves. Lance denies any interpretation contrary to the plain language and meaning of the contents of these documents.

4. Lance admits that Plaintiff has received payments for production from gas wells located in Campbell County, Wyoming. Lance denies all other allegations in Paragraph 4.

#### **DEFENDANT**

5. Lance admits the allegations in Paragraph 5.

6. The allegations in Paragraph 6 refer to “leases and other instruments” and the “Wyoming Royalty Payment Act, W.S. § 30-5-301 et seq.,” which speak for themselves. Lance denies any interpretation contrary to the plain language and meaning of the contents of these documents. To the extent the allegations in Paragraph 6 call for conclusions of law, no response is required; however, Lance denies the same.

#### **JURISDICTION AND VENUE**

7. The allegations in Paragraph 7 call for conclusions of law, to which no response is required. To the extent a response is required, Lance denies the same.

8. The allegations in Paragraph 8 call for conclusions of law, to which no response is required. To the extent a response is required, Lance denies the same.

9. The allegations in Paragraph 9 call for conclusions of law, to which no response is required. To the extent a response is required, Lance denies the same.

#### **CLASS ACTION ALLEGATIONS**

10. The allegations in Paragraph 10 constitute Plaintiff’s characterization of the case, to which no response is required. To the extent a response is required, Lance denies the same.

11. The allegations in Paragraph 11 constitute Plaintiff’s characterization of the case, to which no response is required. To the extent a response is required, Lance denies the same.

12. The allegations in Paragraph 12 constitute Plaintiff’s characterization of the case and call for conclusions of law, to which no response is required. To the extent a response is required, Lance denies the same.

13. The allegations in Paragraph 13, including all subparagraphs, constitute Plaintiff's characterization of the case and call for conclusions of law, to which no response is required. To the extent a response is required, Lance denies the same.

14. The allegations in Paragraph 14 constitute Plaintiff's characterization of the case and call for conclusions of law, to which no response is required. To the extent a response is required, Lance denies the same.

15. The allegations in Paragraph 15 constitute Plaintiff's characterization of the case and call for conclusions of law, to which no response is required. To the extent a response is required, Lance denies the same.

16. The allegations in Paragraph 16 constitute Plaintiff's characterization of the case and call for conclusions of law, to which no response is required. To the extent a response is required, Lance denies the same.

17. The allegations in Paragraph 17 constitute Plaintiff's characterization of the case and call for conclusions of law, to which no response is required. To the extent a response is required, Lance denies the same.

18. The allegations in Paragraph 18 constitute Plaintiff's characterization of the case and call for conclusions of law, to which no response is required. To the extent a response is required, Lance denies the same.

19. The allegations in Paragraph 19, including all subparagraphs, constitute Plaintiff's characterization of the case and call for conclusions of law, to which no response is required. To the extent a response is required, Lance denies the same.

20. The allegations in Paragraph 20 constitute Plaintiff's characterization of the case and call for conclusions of law, to which no response is required. To the extent a response is required, Lance denies the same.

#### **COUNT ONE-UNDERPAID ROYALTIES**

21. Lance incorporates by reference its responses to the allegations in Paragraphs 1 through 20 above (including responses to allegations in subparagraphs).

22. The allegations in Paragraph 22 call for conclusions of law, to which no response is required. To the extent a response is required, Lance avers that its responsibility to make

royalty payments to Plaintiff is subject to the applicable terms of the Wyoming Royalty Payment Act, and leases and / or agreements between Lance and Plaintiff.

23. Lance denies the allegations in Paragraph 23.

24. Lance denies the allegations in Paragraph 24.

25. Lance denies the allegations in Paragraph 25.

**COUNT TWO-PREJUDGMENT INTEREST/STATUTORY INTEREST**

26. Lance incorporates by reference its responses to the allegations in Paragraphs 1 through 25 above (including responses to allegations in subparagraphs).

27. Lance denies the allegations in Paragraph 27.

**COUNT THREE-MONTHLY ASSESSMENT**

28. Lance incorporates by reference its responses to the allegations in Paragraphs 1 through 27 above (including responses to allegations in subparagraphs).

29. The allegations in Paragraph 29 are overbroad, vague, and call for conclusions of law to which no response is required. To the extent a response is required, Lance avers that its obligation to pay royalties on production are controlled by the applicable terms in the Wyoming Royalty Payment Act, and leases and / or other agreements between Lance and royalty owners.

30. The allegations in Paragraph 30 refer to the reporting provisions of the Wyoming Royalty Payment Act, Wyo. Stat. Ann. § 30-5-305, which speak for themselves. Lance denies any interpretation contrary to the plain language and meaning of Wyo. Stat. Ann. § 30-5-305. To the extent the allegations in Paragraph 30 call for conclusions of law, no response is required; however, Lance denies the same.

31. Lance denies the allegations in Paragraph 31.

32. Lance denies the allegations in Paragraph 32.

33. Lance denies the allegations in Paragraph 33.

**COUNT FOUR-DECLARATORY JUDGMENT**

34. Lance incorporates by reference its responses to the allegations in Paragraphs 1 through 33 above (including responses to allegations in subparagraphs).

35. The allegations in Paragraph 35 constitute Plaintiff's characterization of the case, to which no response is required. To the extent a response is required, Lance denies the same.

the extent the allegations in Paragraph 30 call for conclusions of law, no response is required; however, Lance denies the same.

31. Lance denies the allegations in Paragraph 31.
32. Lance denies the allegations in Paragraph 32.
33. Lance denies the allegations in Paragraph 33.

#### **COUNT FOUR-DECLARATORY JUDGMENT**

34. Lance incorporates by reference its responses to the allegations in Paragraphs 1 through 33 above (including responses to allegations in subparagraphs).
35. The allegations in Paragraph 35 constitute Plaintiff's characterization of the case, to which no response is required. To the extent a response is required, Lance denies the same.
36. The allegations in Paragraph 36, including all subparagraphs, constitute Plaintiff's characterization of the case and the relief sought in this action, to which no response is required. To the extent a response is required, Lance denies the same.

#### **COUNT FIVE-INJUNCTIVE RELIEF**

37. Lance incorporates by reference its responses to the allegations in Paragraphs 1 through 36 above (including responses to allegations in subparagraphs).
38. Lance denies the allegations in Paragraph 38, including all subparagraphs.

#### **COUNT SIX-COSTS AND ATTORNEYS FEES**

39. Lance incorporates by reference its responses to the allegations in Paragraphs 1 through 38 above (including responses to allegations in subparagraphs).
40. Lance denies the allegations in Paragraph 40.

#### **GENERAL DENIAL**

Lance denies each and every factual allegation not specifically admitted herein, including Plaintiff's prayer for relief, and reserves the right to amend this answer based on further investigation and discovery.

#### **AFFIRMATIVE DEFENSES**

1. Plaintiff has failed to state a claim upon which relief may be granted.

2. Plaintiff's Complaint fails to comply with the pleading requirements of Wyo. R. Civ. P. 8(a) and 10(b), in that many paragraphs are overbroad and vague.
3. Plaintiff's claims are barred by the doctrine of waiver.
4. Plaintiff's claims are barred by the doctrine of judicial and equitable estoppel.
5. Plaintiff's claims are barred by the doctrines of res judicata and collateral estoppel.
6. Plaintiff's claims are barred by the doctrine of payment.
7. Plaintiff's claims are barred by the statute of limitations.
8. Plaintiff's claims are barred by the doctrine of accord and satisfaction.
9. Plaintiff's claims are barred by the doctrines of setoff and recoupment.
10. Plaintiff's claims are barred by the doctrine of laches.
11. If and to the extent Plaintiff is alleging underpayment of royalties, the individual claims of each purported class member arise from the individual class members' individual lease or leases and / or other agreements, interpretation of the terms of the leases and / or other agreements, and individual factual issues associated with such interpretation issues. As such, those purported class members' claims are not typical of the claims of other purported class members.
12. The Wyoming Royalty Payment Act violates the Wyoming Constitution and United States Constitution in that it is unduly vague and ambiguous.

Pursuant to Wyo. Stat. § 1-37-113, Lance has served a copy of this pleading and Plaintiff's Complaint on the Attorney General of Wyoming.

**PRAYER FOR RELIEF**

WHEREFORE, Lance requests that the Court enter judgment against the Plaintiff on all causes of action in this Complaint and award Lance its attorney fees, legal expenses, and costs in connection with this Complaint, and all other damages to which Lance is entitled.

DATED March 26, 2012.



Mark R. Ruppert P.C. (Wyo. Bar No. 6-3593)  
HOLLAND & HART LLP  
2515 Warren Avenue, Suite 450  
P.O. Box 1347  
Cheyenne, WY 82003-1347  
Telephone: (307) 778-4200  
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Jere C. (Trey) Overdyke (Wyo. Bar No. 6-4248)  
HOLLAND & HART LLP  
25 South Willow Street, Suite 200  
P.O. Box 68  
Jackson Hole, WY 83001-0068  
Telephone: (307) 739-9741  
Facsimile: (307) 739-9744

ATTORNEYS FOR DEFENDANT

#### CERTIFICATE OF SERVICE

I hereby certify that on March 26, 2012, I served the foregoing by placing a true and correct copy thereof in the United States mail, postage prepaid and properly addressed to the following:

Kate M. Fox (Wyo. Bar #5-2646)  
John C. McKinley (Wyo. Bar #5-2635)  
DAVIS & CANNON, LLP  
422 W. 26th Street  
Post Office Box 43  
Cheyenne, WY 82003  
Fax (307) 778-718)  
Email: [kate@davisandcannonchey.com](mailto:kate@davisandcannonchey.com)  
[john@davisandcannonchey.com](mailto:john@davisandcannonchey.com)

Gregory A. Phillips  
Wyoming Attorney General  
123 Capitol Building  
200 W. 24th Street  
Cheyenne, WY 82002

